

MARYLAND

Department of Business & Economic Development

ANNUAL REPORT



2001



PARRIS N. GLENDENING, GOVERNOR
KATHLEEN KENNEDY TOWNSEND, LT. GOVERNOR

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OFFICE OF THE GOVERNOR



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Dear Fellow Marylanders:
We are pleased to share with you the annual report for the Maryland Department of Business and Economic Development.

Our economy and our way of life are facing challenges unlike any we have ever known. September 11th changed our lives dramatically and the short-term impact on our economy is serious. Now more than ever it is important to strengthen the partnership between Maryland's government and its business community.

Maryland's economy is fundamentally strong. Every survey of economists shows that Maryland is well positioned to benefit from a national recovery. Throughout the pages of this report, you will see that before the economic downturn, this Administration was laying the groundwork to prepare the economy for trying times. Maryland's median family income was among the highest in the nation and the poverty rate is among the lowest. Our workforce remains perhaps the best educated in the country and our state is recognized as among the best prepared for the technology economy.

While we expected to see revenues flattened during the months following September 11th, we still have a fundamentally strong outlook. And it is that fundamental strength that is allowing us to move forward in the short-term without facing the dire consequences that so many other states are experiencing.

While we have been focused on recent short-term challenges, we continue to address how we can ensure long-term economic growth. How do we make good-paying, family-supporting jobs available to everyone? We must offer education that is available and affordable; keep Maryland a desirable place to live, work and raise a family; and support a commitment to fairness, justice and inclusion.

Now more than ever, we must be a State others want to emulate — fiscally sound, with a commitment to education; ensuring a high quality of life, protecting our environment, and increasing our prosperity. We must be a beacon of fairness, justice and inclusion. By working together we will achieve these goals and continue to move forward.

Parris N. Glendening *Kathleen Kennedy Townsend*



DAVID S. IANNUCCI, SECRETARY
SANDRA F. LONG, DEPUTY SECRETARY



Parris N. Glendening
Governor
Kathleen Kennedy Townsend
Lt. Governor
David S. Iannucci
Secretary
Sandra F. Long
Deputy Secretary

Dear Marylanders:

As the nation tries to return to normalcy in the wake of the events of September 11, 2001, there is much speculation about the extent to which this tragedy will affect the already troubled national and global economy. Here in Maryland, we have indeed felt the economic ripples from these events. It is very important that we keep in mind, however, that our state's economic fundamentals are sound and that Maryland is well-positioned to weather any slowdown.

The period covered in this annual report — July 1, 2000 through June 30, 2001 — represents one of the strongest performances in Maryland's economic history. We celebrated many successes during this period, including the nation's 15th best job growth rate and an unemployment rate that was almost always below the national average. No one could have imagined that the events of September 11th would have occurred or that it would have so dramatically affected the economies of the nation and of every state. Through the efforts of the Glendening-Townsend Administration, Maryland has fared better than most other states in the months following the attacks. This department is proud to have played an integral part in the Administration's labors.

Over the past year, there have been a significant number of objective studies and reports released that dramatically highlight Maryland's economic strengths. Individually, they detail the efficacy of specific programs and policies. Collectively, they validate the planning and actions undertaken by public and private sector leaders in the state to provide a strong competitive foundation for our businesses, employees and communities.

While we celebrate the improvements and recognition illustrated in this report, Governor Parris N. Glendening and Lt. Governor Kathleen Kennedy Townsend are continuing to improve Maryland's business climate, enhance the state's quality of life and provide the resources and support needed by employers and citizens to compete in the fast-paced, global economy. With a strong public and private sector partnership and a commitment to building upon our current successes, Maryland will weather the ongoing national economic slowdown and will remain a premier 21st century location for business.

David S. Iannucci *Sandra F. Long*

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OUR MISSION

The mission of the Maryland Department of Business and Economic Development is to stimulate private investment and create jobs, attract new businesses to the State, encourage the expansion and retention of existing companies, and provide businesses in Maryland with workforce training and financial assistance. The Department publicizes Maryland's economic advantages and markets local products and services at home and abroad to spur economic development, international trade and tourism. As part of its promotional mission, the Department also supports the arts, film production, sports and other special events. Primary divisions include Business Development, Financing, Regional Development and Tourism, Film and the Arts. The Office of Administration and Information Technology provides administrative and support services.

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On the front cover from left to right:
Donna Stevenson, CEO Early Morning Software, Inc.; Don Bowman, CEO D. M. Bowman;
Jeannette Lee White, CEO & President Sytel; and Capers W. McDonald, CEO BioReliance.





OUR RESULTS

| | FY 2000 ACTUALS | FY 2001 ACTUAL |
|------------------|--------------------|-------------------|
| EMPLOYMENT | | |
| NEW JOBS | 15,253 | 21,393 |
| RETAINED JOBS | 28,582 | 33,670 |
| TOTAL | 43,838 | 55,063 |
| | | |
| CAP. INVESTMENTS | 109.6* | 113.7 |
| PRIVATE SECTOR | 1,173.3 | 500.0 |

* (\$ MILLIONS)

HOW WE HELP

When a Maryland company, large or small, contacts the Department of Business and Economic Development for advice on a challenge it needs to meet, the combined resources of the Department and other state agencies are used to help craft a solution for its unique situation. On the pages that follow, six stories detail successes in five different areas — Manufacturing, Technology, Telecommunications, Small Business Assistance and Tourism.



PRS GUITARS

PAUL REED SMITH

Paul Reed Smith always loved working with his hands, a fact evidenced by the multiple shop classes he took all at once in high school. He also loved music. In college, those two loves merged when Smith built his first guitar for credits he wangled out of a music professor. The "A" he received persuaded him to pursue his dream of making guitars for a living.

"Those were hard times," he says of the years he spent field testing his hand-made guitars backstage at concerts and calling on guitar dealers up and down the East Coast. "I was lucky if I finished a guitar a month."

Once a guitar was finished he would play it at a gig to get feedback from his target market of musicians. Every design change brought a lesson that went into the creation of the next guitar. He sold them one at a time and developed a small following that allowed him to build two prototypes that he used to demonstrate his crafting skill. Who could have known he would one day be named first runner up as the U.S. Small Business Administration's Man of the Year?



"It's the great American success story," says Smith.

His hard work and love of music and building guitars have translated years later into a successful business that employs 160 people in manufacturing fine guitars. The Stevensville company did \$22 million in business last year (FY 2001) — up from \$10 million two years earlier — and has \$16 million in back orders. The PRS guitar can be seen held in the hands of none other than Carlos Santana and up to half of the bands who appear on VH-1 today.

Of course, Smith would like to make PRS the guitar of choice among all bands and individual artists. To help the company achieve that goal, PRS is considering a 22,000 square foot expansion of the PRS plant.

“It will double our size,” he says.

Over the years, PRS has received workforce training assistance from DBED through the Department’s Partnership for Workforce Quality program. Smith says he has found the staff at DBED receptive and forthcoming about programs the Department offers, providing assistance for past projects as well as possible future expansions. Besides not having to leave home to realize his dream, the native Marylander who grew up in Bowie is happy that his success keeps him close to his favorite pastime.

“I’m a fisherman. There’s really good fishing here,” he reports enthusiastically. And of course, he’s pleased to experience the state as a place that provides great support for his business. “[Here is where] you have a good source of employees, suppliers and room for growth.”



SWALES AEROSPACE

THOMAS L. WILSON

Swales Aerospace is one of Maryland's many home-grown success stories. The company started out in 1978 in Greenbelt as an engineering consulting firm conducting design analysis for the National Aeronautics and Space Administration's (NASA) Satellite System. The startup consisted of 10 employees and its innovative founders — Thomas Swales, Thomas L. Wilson and Ronald Luzier — three experienced engineers who figured they could create a company with a better employee retirement plan than the one for which they were working.

Within a few years, the new company began showing promise. It gradually evolved into a dynamic employee-owned corporation that designs and manufactures the important tools astronauts use in space.

"We had a desire to share the benefit of the growth with the company," says Wilson, Swales' Chief Executive Officer. "Employee ownership was a good way to enhance the retirement plan."

In its first year of business, Swales provided NASA's Goddard Space Flight Center with analysis for the Hubble Space Telescope and it has continued to support it for 23 years. Today, Swales' power wrench is NASA's "tool of choice," and is used for repairs to the Hubble telescope.

Over the years, the Beltsville-based corporation has become an important employer in the state with more than 700 of its 900 engineers, technicians and manufacturing and administrative staff working and living in Maryland. Located within a stone's throw of its major customer, NASA, Swales also is geographically close to its other important government customers, agencies and resources, such as the University of Maryland at College Park whose student population has served as a rich reservoir for potential employees.

"We have found this region in Maryland to be a great source of skilled and talented engineering professionals and quality workers," Wilson says. "We have many graduates from the University of Maryland on staff and have collaborated with the university on several NASA projects. We have also worked with Johns Hopkins University and with the Applied Physics Laboratory."

Wilson sees still another advantage from the company's location.

"We have been able to grow and expand our operations and facilities in Maryland with relative ease; the state and regional authorities have aided our efforts."



Wilson also notes that his company's 2001 recruiting efforts got a boost when DBED provided timely support by featuring Swales Aerospace in print and TV advertising spots for the state.

"Those promotions provided us with collateral benefit of strong corporate name recognition to a wide Maryland-centered region," he says.

Swales takes advantage of other DBED offerings, as well. It is a member of the DBED-sponsored Maryland World Class Manufacturing Consortium. One key feature of membership in the Consortium has been the Executive Leadership Program in which Wilson has participated along with five members of the company's senior management.

"Through our membership in the Consortium, we also have been able to apply concepts in lean manufacturing and, consequently, realize significant operational cost savings," he says.

In 1998, the company received a DBED-sponsored training grant that Wilson says benefited his company's efforts to relocate a portion of its manufacturing operation from Delaware to Beltsville, Maryland.

"I think this class helped propel us and helped us focus on customer quality," Wilson says.

Swales' Space Systems is the prime contractor for EO-1, the Goddard Space Flight Center's first spacecraft in the New Millennium Program.

The company's Web site is www.swales.com.

LOCKHEED MARTIN CORPORATION

The contract to build the nation's next generation of jet fighter — the F-35 Joint Strike Fighter — is expected to be the most expensive aircraft program in the nation's history, worth an estimated \$200 billion to \$300 billion to Bethesda-based Lockheed Martin Corporation and its subcontractors. The three branches of the services slated to use the plane will require more than 3,000 units. Each will cost an estimated \$40 million to \$50 million and is slated to remain in production until 2040.

Another Maryland-based company, Northrop Grumman Electronic Systems, located in Linthicum near Baltimore/Washington International Airport, developed and tested the aircraft's on-board radar. That company expects its initial share of the contract to be worth \$1 billion, solidifying some 500 engineering and manufacturing jobs in Maryland.

Each competing contractor designed and built two aircraft. Patuxent River Naval Air Station, frequently referred to as Pax River, was chosen by Lockheed to test its X35C Navy version and by Boeing to test its X-32B, the Marine's short take-off and vertical landing — or STOVL — variant.

Lockheed officials felt the Pax River facility was important to the success of their testing program.

"We are happy to be back at Patuxent River, testing carrier aircraft with the Navy," said Tom Burbage, executive vice president and general manager of the Lockheed Martin JSF program and a former Navy carrier pilot during the test program completed earlier this year. "We strongly believe that sea-level testing is necessary to give us a true picture of the X-35C's carrier suitability. Our JSF



teammate Northrop Grumman has long been a fixture here, and we're eager to show how our companies' combined technologies, along with those of Royal Navy aviation veteran BAE SYSTEMS, will meet the unique challenges of carrier-suitable, stealthy strike fighters."

Boeing's X-32B version of the JSF completed testing at Pax River in July in what company officials called one of the most successful test flight programs in aviation history. The program included five flights for the versatile plane in one day. It became the first of the models to transition from a hover over the airfield to supersonic flight once airborne.

"Pax River has a well-deserved reputation for the testing of experimental aircraft," he says. "Equally important, it brings to bear a full spectrum center for maritime aviation excellence with a large, superbly qualified workforce, state-of-the-art facilities, mature tested business relationships and an active interaction with East Coast joint operational forces."





TELECOMMUNICATION SYSTEMS

M A U R I C E B . T O S É

As a young midshipman at the U.S. Naval Academy, Maurice B. Tosé developed a love for Annapolis that remains to this day.

“I have grown to appreciate Annapolis for the beauty of its views of the Severn River and the sailboats on the Chesapeake Bay,” he says. It is no surprise then that less than ten years after his 1978 graduation from the Naval Academy he settled his personal and business life in Annapolis.

The Chairman, CEO and President of TeleCommunication Systems (TCS) founded the company in 1987 initially as a military contractor for software development and network projects. It provides solutions for voice, data, video and secure communications for a number of government agencies. Since its beginning, TCS evolved into a leader in the rapidly growing wireless messaging and location technology and in August 2000 became a publicly traded company on the NASDAQ under the symbol “TSYS.”

Tosé and TCS have won scores of business recognition awards. He was named a finalist for the Ernst & Young Entrepreneur of the Year in 1997 and again in 2000. His company was listed five times in the Black Enterprise Top 100 companies.

Tosé looks forward to a very dynamic future for his business. According to him, the wireless market is expected to grow exponentially from the more than 20 billion mobile messages being sent each month to 244 billion per month by the year 2004. That is a circumstance which positions TCS with an enviable, unprecedented market opportunity. The company is the largest provider of messaging in CDMA networks.

Besides the beauty and sentiment Tosé attaches to Annapolis, he says Maryland was a perfect place to open his business because the state is centrally located to the world economy.

“There are plenty of opportunities for a company to grow in a business climate that is very supportive of wireless communication technology and technology as a whole,” he says. “What’s more, the state is located in the regional ‘Tech Triangle,’ providing the resources of a skilled and available workforce.”

Tosé also finds the state’s agencies to be helpful to his business, with DBED being a ready resource for TCS.

The company has received workforce training assistance from the Department over the past few years through the Department’s Partnership for Workforce Quality program.

With beautiful vistas, great sailing and a growing business, when it comes to doing business in the state, Tosé has five words to offer: “Maryland is quality of life.”



BOOTH MANAGEMENT & CONSULTING, LLC

ROBIN L. BOOTH

“Many entrepreneurs start out and find themselves in business and then the business starts telling them what to do,” says Robin L. Booth, a certified public accountant and founding partner of Booth Management & Consulting LLC. This often happens because new companies tend to skip the important planning and research phase of the operation before opening the door for business.

If anyone knows about the importance of planning and research, it is Booth, who, with her husband Phil, founded the Owings Mills-based company that serves as an external management think-tank-of-sorts for new and existing small businesses. The Booths expanded their management and financial expertise in September when DBED selected the company to administer the Strategic Assistance Consulting Fund (SACF) for Small, Minority and Micro-Enterprise businesses.

The contract, which Booth says is the first her company pursued from the state, is for \$1.1 million over three years. The intent of the program is to further enhance the quality and capacity of services to small and minority businesses, as well as micro-enterprises in the state.

Booth will administer the SACF to build upon the basic services currently offered through the Maryland Small Business Development Center network and provide more advanced and specialized consulting services. In this capacity, Booth will serve as the administrative agent for DBED’s Division of Regional Development.

In her 10 years of public accounting experience in multiple industries, Booth says she observed a cart-before-the-horse pattern among many small businesses that resulted in their getting stuck in survival mode. Good planning and research are two critical steps that can mean the difference between surviving and thriving.



Just knowing as much as possible about the business you are in or heading into is a key factor for success, but many companies open up shop without their owners knowing even basic operating principles, Booth noted.

“You have to have the resources to make informed financial decisions,” she says. “There are programs businesses simply don’t know about.”

Booth has high hopes that her company will contribute significantly to improving the picture for the 300 to 400 small businesses in Maryland. The company’s goal is to reach as many small businesses as possible and get the word out about the resources awaiting discovery at the small business centers.

She praises Maryland for its attention to small business.

“Maryland is emerging as a powerful venue for small and minority business. They want to see them succeed. Once I sought to get information it was given posthaste.”

One step to success for many small businesses has been the Minority Business Enterprise certification program, Booth says. The program, however, is often misunderstood by many entrepreneurs who view it as a panacea for success. She cautions that while being certified as an MBE is a good leverage tool, it does not close the deal and is not a substitute for sound business principles.

“Mediocrity won’t be successful anywhere. You have to meet the need. If you cannot meet the need it does not matter who you are. Know your market, and your capability and use the MBE to open the door.”

Booth Management has handled startups with revenues from well under \$3 million up to \$80 million. They have an eclectic mix of clients from churches to corporations to celebrities including Ray Lewis, defensive linebacker for the Ravens, and Seattle Supersonics forward Larry Stewart.



WISP SKI RESORT

K A R E N M Y E R S

“When life gives you lemons make lemonade,” is a familiar bromide. But for Karen Myers, the mantra might be “When life gives you water, make snow.” And that is just what the owner of the WISP Ski Resort in Garrett County continues to make happen over Western Maryland’s weather-dependent five to six month ski season.

Myers and her DC Development Company bought WISP in June 2001 with plans to make it a prime choice for skiing and adventure sports that achieves a happy medium between individuals and families who want vigorous exercise and challenge and those who simply want a pleasant outdoor experience.

Situated since 1956 on Marsh Mountain along the Allegheny Mountain Range, WISP draws kudos from both national and international downhill ski aficionados who revel in the well-groomed trails and 48-inch minimum snow coverage. The ability to maintain that snow coverage is a key factor in the resort’s staying in business — and WISP is good at it.

It is so good, in fact, that ski resort operators from big snow countries like Germany and France visit to see WISP’s state-of-the-art snowmaking process and equipment and learn first-hand how it is done, Myers says.

And that suits her just fine. She is proud to share the secrets of snowmaking and show off the premier ski resort which takes advantage of Western Maryland’s outstanding natural resources that include Deep Creek Lake, state parks, white-water rapids, rock faces, trails and, of course, ski slopes.

In July 2001, the resort’s snowmaking ability was critically enhanced when the Maryland Department of the Environment granted WISP operators permission to harvest water from nearby Deep Creek Lake.

“Because you are dependent upon having enough water for snow, [acquiring the water permit] makes for an envious situation,” says Myers.

Myers also praised the department for its diligence. She explains that her assignment for the year was to get the permit and she was operating with rigid construction deadlines.

“There was a lot of hurdling to do,” she remembers.

The permit was granted just before the long July 4th holiday weekend. She was surprised when the news was delivered in a late-day telephone call — the Friday before — from an employee at MDE who had stayed behind to give her the news when the permit was ready.

“I was impressed. It made for a great weekend,” she exclaims. Having Deep Creek Lake as a resource will allow the resort to extend its ski season by a month.

Under Myers’ stewardship, WISP not only is maintaining its rule of the slopes but is bracing for a great adventure. Her DC Development and Marsh Mountain companies have worked on a Master Plan for the past five years that envisions a new Adventure Sports Center and Village of cluster communities.

Maryland residents and tourists can look forward to Smart Growth in Western Maryland that offers an exciting variety of winter and year-round activity.



WHO WE ARE

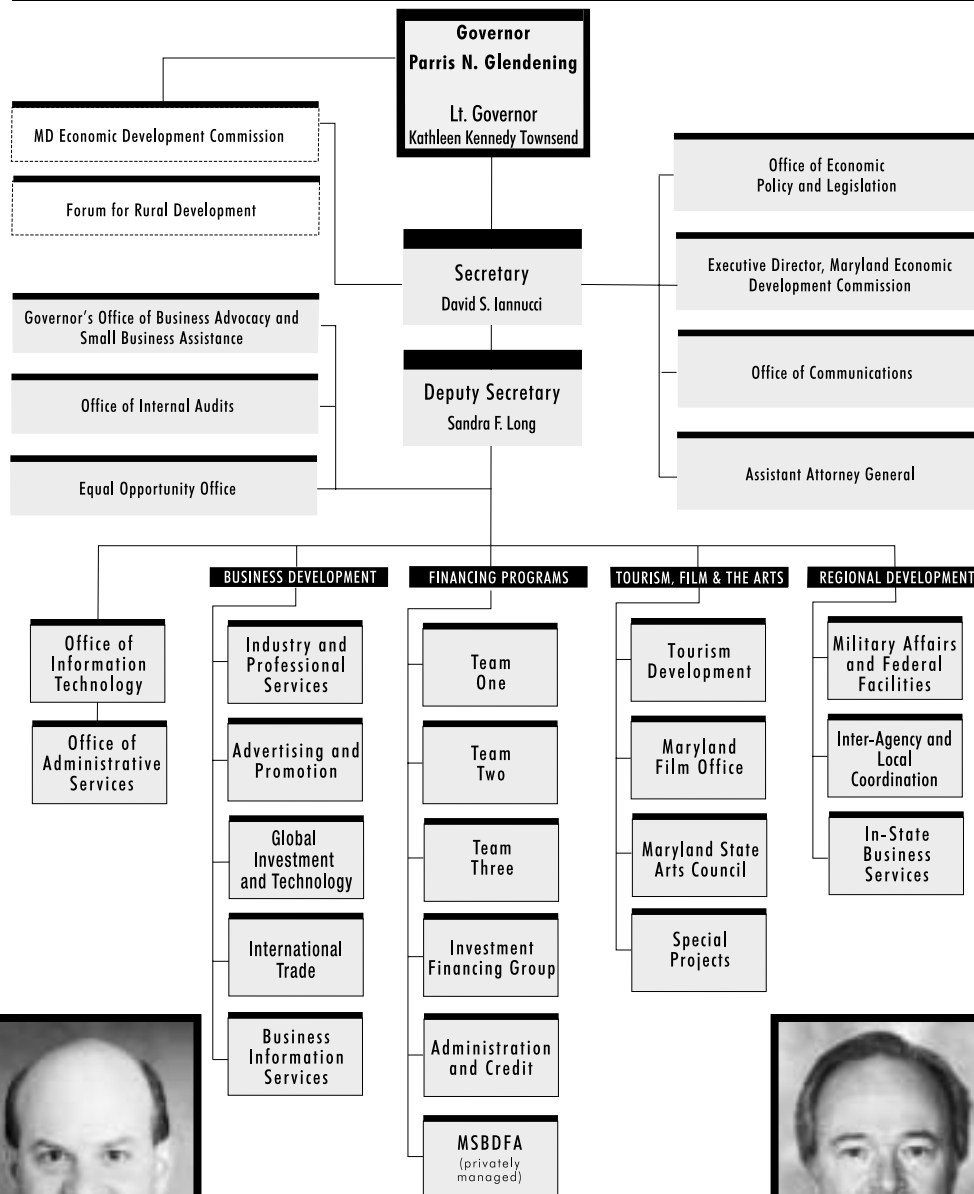
The Divisions and Offices within DBED work in concert with one another to provide a full range of services to the State's business community. Whether it is a large, multinational corporation looking for a site in Maryland or a small, minority-owned business looking for opportunities for expansion, DBED stands ready to direct them to the resources they need. On the following pages are brief descriptions of the various components that, together, are the Maryland Department of Business and Economic Development.

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ORGANIZATION CHART

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SUSAN SMITH-BAUK
ASSIST. SECRETARY,
DIVISION OF TOURISM,
FILM & THE ARTS



VERNON THOMPSON
ASSIST. SECRETARY,
DIVISION OF
REGIONAL
DEVELOPMENT



OFFICE OF THE SECRETARY

The Office of the Secretary directs activities of the Department through supervision and coordination. The Office also maintains working relationships with local, state and federal agencies, county and municipal governments, businesses and business organizations.

OFFICE OF THE ATTORNEY GENERAL

This office provides legal counsel and advice to the Secretary in negotiations, administrative proceedings and litigation, and assists Department staff in drafting financial transaction documents, legislation and regulations.

OFFICE OF COMMUNICATIONS

This office serves as strategic communications counsel to the Secretary and Department staff and provides coordination of communications activities of the Governor's Office, other State agencies and partnership organizations. The Department's comprehensive public relations program is planned and implemented through proactive media relations, the development of professional business publications, speeches and special events.

Communications is closely linked to the Division of Business Development's marketing efforts to ensure consistent national and statewide messages. This Office also oversees the ongoing development and content management of the department's electronic communications, including internal and external Web sites.

GOVERNOR'S OFFICE OF BUSINESS ADVOCACY AND SMALL BUSINESS ASSISTANCE

The Governor's Office of Business Advocacy (GOBA) helps Maryland businesses navigate the processes and regulations of local, state and federal governments. GOBA acts as liaison and ombudsman to resolve business concerns quickly and efficiently. GOBA is also active in small business develop-

ment initiatives and collaborates with other state departments and agencies on matters that affect businesses and the environment, workplace safety and health, taxation, transportation, permitting and licensing and federal issues.

THE DBED OFFICE OF EQUAL OPPORTUNITY

The DBED Office of Equal Opportunity (OEO) is responsible for the internal and external implementation and enforcement of laws pertaining to equal treatment in employment and business utilization. The OEO houses the following functions - Equal Employment Opportunity, Minority Business Enterprise, Americans With Disabilities Act, and the Governor's Code of Fair Practices. The Director of the OEO acts as the Department's advisor in policy issues related to equality and fair treatment.

THE OFFICE OF INTERNAL AUDITS

The Office of Internal Audits conducts full scope audits (financial, compliance and operational) of the Department of Business and Economic Development's programs and functions using standards for Internal Audits set by the Institute of Internal Auditing. In addition, the Office performs EDP related audits. The office also performs audits of recipients of DBED's funds e.g. Grantees. Special Projects (many of which are audit related) are conducted at the request of Departmental and Divisional management. The Office also functions as a liaison with the Legislative Auditors during their audits and other activities related to the Department. Additionally, the Office coordinates audits of DBED functions by outside CPA firms and provides consulting services for various Departmental programs.

OFFICE OF ECONOMIC POLICY & LEGISLATION

The Office of Economic Policy and Legislation is responsible for the development of economic policy initiatives and liaison with the Governor's Office, the Maryland General Assembly and Maryland's technology community, with a focus on advising the Secretary on: (1) the impact of state and federal legislative and regulatory initiatives that affect the Maryland economy; and (2) the effectiveness of Maryland's economic development policies and programs.

The Office of Economic Policy and Legislation has four primary functional areas – Research, Government Relations, Policy Development and Technology Coordination. These functional units work closely together to support the overall mission of developing, evaluating and advocating progressive economic development policies for the State of Maryland. OEPL is driven by demands from external customers and thus stresses timely and complete customer service.

RESEARCH

- Continue to provide monthly updates and special reports relating to the U.S. economy, industry sectors, etc. through the *Economic Pulse*.
- Conduct on-going research and support for small and minority business policy development.
- Review of the Western Maryland Scenic Railroad.
- Staffed the Gasoline Zone Pricing Task Force and drafted report.

POLICY DEVELOPMENT

- In conjunction with legislation to raise the value of income tax credits for jobs created in Enterprise Zones, established an Enterprise Zone Advisory Committee and hosted a training and networking event for Enterprise Zone administrators statewide.

- Senior management of the Department adopted and issued a new system of field protocols to improve the communication and teamwork of staff from all divisions in dealing with business clients.

- Collaborated with Maryland Technology Development Corporation (TEDCO) to evaluate applications for funding for technology incubators under TEDCO's new program.

- Supported the work of a large number of internal and external stakeholders in the development of regulations and program requirements for the newly-enacted Arts and Entertainment District legislation.

TECHNOLOGY COORDINATION

- Participated in the first Emerging Business Forum, which was a joint endeavor between Maryland, Virginia and Washington D.C. to promote opportunities for minority technology businesses. In addition to being a sponsor, provided industry panelists, judges, and participants for the forum. This event was culminated with a workshop, which focused on informing minority technology companies of the commercialization and contracting opportunities in Maryland federal labs and institutions.

- Launched the Techtaculars section of the Web site which highlights the success of Maryland's technological assets.

- Supported outreach for the Maryland Technology Showcase, the TEDCO/Carderock Showcase, the TEDCO/National Security Agency Showcase, and the TEDCO eReadiness Survey.

- Served as technology advisors for the Maryland Business Roundtable Committee on Technology Education.



MARYLAND ECONOMIC DEVELOPMENT COMMISSION

Created by Governor Glendening in 1995, the Maryland Economic Development Commission fosters a positive business climate that will result in more employment choices for Maryland residents.

The Commission — a partnership between State government and the private sector — develops strategic plans, marketing initiatives, programs and policies to enable Maryland to compete more vigorously in the global marketplace. To this end it has produced two plans: *Strategic Directions for Increasing Maryland's Competitiveness* and *Strategic Directions for Increasing the Competitiveness of Maryland's Growth Industry Sectors*, and it continues to focus on issues and actions that are critical to Maryland's business-friendliness and the retention and growth of jobs and investment.

FY 2001 HIGHLIGHTS

- Through its Maryland Marketing Partners program, communicated the State's economic strengths and opportunities in publications and during personal meetings with business and community leaders.
- In April, the Commission released its report comparing the cost of living for Maryland jurisdictions, which will be used to compare the State with communities throughout the United States.
- The Commission reviewed preliminary results and charts of the tax analysis that highlights the impact of taxes on individuals and businesses in seven jurisdictions in Maryland and 22 jurisdictions around the United States.
- The Commission approved amendments to the existing regulations governing the Maryland Economic Development Assistance Authority and Fund and One Maryland Fund.

- The Commission also approved changes to regulations for the Maryland Small Business Development Finance Authority for the Contract Financing Fund, Guaranty Fund and Equity Participation Investment Program.
- The Commission continued developing its third strategic plan that addresses key issues and again defines Maryland's growth industry sectors in the first decade of the new century.
- The Commission is also evaluating the best practices and innovative recommendations pursued by other states' and jurisdictions' economic development strategies.

OFFICE OF ADMINISTRATION & INFORMATION TECHNOLOGY

The Office of Administration and Information Technology provides administrative and support services for the Department through the Human Resources Management, General Services, Contracts and Procurement, Budget and Finance, and Information Technology offices.

HUMAN RESOURCES OFFICE

The Office of Human Resources provides development and management of all personnel and staff development programs to ensure a productive workforce for the Department. Activities include: recruitment, classification and compensation, employer/employee relations, benefits, performance assessment and training.

GENERAL SERVICES OFFICE

The Office of General Services provides logistical support for the department including facilities management, telecommunications, fleet, mail, leasing, inventory, records retention, maintenance, security and supplies for the Department.

CONTRACTS AND PROCUREMENT OFFICE

The Office of Contracts and Procurement reviews and approves all contracts and purchases for the Department. The Office prepares specifications, administers the bidding processes, reviews contract documents and prepares purchase orders for the vendor awarded the procurement.

BUDGET AND FINANCE OFFICE

The Budget and Finance Office provides central budgeting and accounting support services for the Department. The Finance unit provides central general accounting services that include employee payroll, timesheets, invoice payments, grant and loan payments, cash receipts, and travel expense reimbursements. The Budget unit is responsible for the preparation (with input from the program units) of all official Departmental base budget requests and any enhancements or

amendments, including departmental and program performance measurement data. The Office monitors the current year's budget and reports on that monitoring to the divisions/programs and the senior management of the Department.

OFFICE OF INFORMATION TECHNOLOGY

The Office of Information Technology provides networking and computer support services to the Department. In addition, the Office provides Project Management services for Departmental information technology initiatives, networking communication services and networking infrastructure design and planning for local and regional offices.

FY 2001 HIGHLIGHTS

- Successfully deployed the new Departmental Web site and content management system.
- Developed implementation plan to expand credit card program for the Department.
- Implemented a web-based recruitment program.
- Implemented the on-line Payroll System for the Department.
- Provided Domestic Violence in the Workplace training to all Departmental employees.
- The departmental MFR/CQI Steering Committee's role was expanded.
- Continued to refine departmental Mission, Vision and Goals Statements.
- Completed an upgrade of departmental computers to the State mandated platform of Windows 2000.
- Implemented virtual private networking servers to provide connectivity to regional offices and remote users.



BUSINESS DEVELOPMENT

The Division of Business Development is the business attraction and marketing arm of Maryland state government. The Division's primary role within DBED is to focus on attracting new businesses into the State and expanding global commerce and foreign investment opportunities. In FY 2001, the Division changed its strategy for attracting businesses to the State from one of a geographic focus to that of an industry sector focus. This new focus allows DBED to target key industry sectors and focus marketing strategies in such areas as bioscience, information technology, financial services and manufacturing, transportation and distribution.

The Division's units include marketing Offices for Technology and International Business, Industry and Professional Services, the Office of Advertising and Promotion, the Office of Trade Development and the Office of Business Information Services.

FY 2001 HIGHLIGHTS

FY '01 was, by all accounts, a busy and exciting year. Productivity as measured by business attraction and expansion and by international trade activities was greater than at any previous time in the life of DBED. Bookham Technologies, Toyota Financial Services and ClosetMaid were just a few of the world's leading corporations that decided in FY '01 to establish North American and mid-Atlantic headquarters and manufacturing facilities in Maryland.

THE POSITIVE RESULTS FROM THE TARGETED NEW INDUSTRY SECTOR APPROACH INCLUDE:

- Attraction of 23 new businesses to Maryland projecting over 4,700 new jobs to be created over the next three years, 32% of which located in One Maryland jurisdictions.
- Expansion of 20 existing Maryland businesses, where the chief decision maker for the business was located globally or benefitted from DBD's industry sector expertise, projecting over 5,500 new jobs to be created over the next three years.

- Commitment of over 170 export sales worldwide for 40 different Maryland companies.
- Export sales of assisted firms increased from \$17,000,000 to \$24,850,000.
- DBD assisted in the development of about 60 export plans; 73% of clients with plans produced export sales.
- Maryland's foreign offices grew to include Singapore and re-establishing of Maryland Business Center Japan.
- Hosted record number of international delegations throughout the year including visits to countries such as Ireland, Belgium, the United Kingdom, Canada, Latvia, China, Estonia, Japan, South Africa, Ghana, Senegal, Malaysia, Singapore, and India.
- Increase in advertising leads and inquiries by almost three-fold.
- Over 6,000,000 impressions from advertising activities placed in over 40 different publications.
- Increase in visits to Maryland by prospects of 184 percent.
- Nearly three-fold increase (more than 110) in marketing missions, tradeshow and special events.
- Increase in visits to Maryland by prospects from 38 in FY 2000 to 108 in FY 2001.
- Exhibited, attended and/or sponsored over 30 trade shows and conferences around the world.

THE FOLLOWING MARKETING AND RESEARCH ACTIVITIES SUPPORTED THE DEPARTMENT'S ECONOMIC DEVELOPMENT SUCCESS:

- The Come To Work / Stay To Play, national advertising campaign won the international Mercury Awards for 2001.
- Launched the Work Wonders, in-state advertising campaign featuring Maryland business leaders.
- Began a three-tiered research project to improve the high tech labor pool in Maryland.
- Completed many economic analyses including reports for the automotive industry, the soybean industry, tax studies for corporate executives considering

Maryland locations and Resource Allocation Models for county economic development agencies and others.

- Established a geographic information system office within DBED and linked GIS features to the www.choosemaryland.org Web site.
- Successfully managed tax credit programs including the Job Creation Tax Credit and implemented new programs such as the One Maryland Tax Credit and the Research & Development Tax Credit.
- Published *Brief Economic Facts* for all 23 counties plus Baltimore City.
- Published the *WorldView* newsletter that keeps Maryland exporters and the Division of Business Development connected.
- Produced the first ever 2001 *Guide to Maryland's Info Tech Community* and the second edition of the *Guide to Maryland's Biotech Community*.

NEW STRATEGIC PLAN

Results in DBD FY '01 activity provide strong evidence of the importance of a global presence. Through our European Office, the Division enlisted the expertise of a world-renowned professional services firm, PriceWaterhouseCoopers (PWC) to help develop a new strategic plan for attracting businesses to Maryland. This new plan, to be completed in FY '02, will provide the Division with targeted global market research and significant recommendations for attracting businesses in our key target industries.

DBED FOREIGN OFFICES



FINANCING

The Division of Financing Programs extends assistance to businesses through programs which include direct lending, bank loan guarantees, bond issuance, linked deposits, loan guarantees, and venture capital investments.

The Division's chief objectives are: to underwrite credit risks; negotiate, structure and close loans and incentives; and manage the accounts after closing. Resources are allocated to meet the Department's strategic goals in the areas of job retention and job creation (particularly in high-risk areas), with a focus on high-quality positions and family-supporting wages with benefits. The Department also takes into consideration the level of capital investment, improvement in local employment levels, the return on the State's investment, and the strengthening of key industry sectors.

With the assistance of the Department and the business and economic development community, Maryland's roughly 20 financing programs were condensed in FY 2000 into 10 core programs that are more flexible and easier to understand, market, and use.

FINANCING PROGRAMS MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND (MEDAAF)

There are five financing capabilities offered through this incentive program, with assistance being provided to the business community and political jurisdictions. To qualify for assistance from MEDAAF, applicants are restricted to businesses located within a priority funding area and an eligible industry sector. In FY 2000, many programs were consolidated into MEDAAF, including the Brownfields Revitalization Incentive Program (BRIP), the Maryland Industrial Land Act (MILA), and the Maryland Industrial and Commercial Redevelopment Fund (MICRF).



ECONOMIC DEVELOPMENT OPPORTUNITIES FUND (SUNNY DAY FUND)

This fund promotes Maryland's participation in extraordinary economic development opportunities that provide significant returns to the State through creating and retaining employment as well as the creation of significant capital investments.

SMART GROWTH ECONOMIC DEVELOPMENT INFRASTRUCTURE FUND (ONE MARYLAND)

This fund promotes business growth in qualified distressed counties through direct funding of projects identified in the local strategic plan for economic development.

CREDIT ENHANCEMENTS MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY (MIDFA)

MIDFA encourages private sector investments in economic development projects through the use of insurance, the issuance of tax-exempt and taxable revenue bonds, and linked deposits. The use of insurance reduces the lender's risk in the project to an acceptable level. The project must be in a Priority Funding Area.

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY (MSBDFA)

The MSBDFA program is managed by a private contractor that reviews and evaluates applications and presents proposals for approval. Financing is provided for approved small businesses and those owned by socially and economically disadvantaged persons.

MARYLAND COMPETITIVE ADVANTAGE FINANCING FUND (MCAFF)

This program provides financial assistance to small businesses that are unable to obtain financing on reasonable terms from traditional sources. The amount of assistance ranges from \$10,000 to \$100,000.

CAPITAL INVESTMENTS

The Investment Financing Group runs several programs with the purpose of providing emerging, high technology businesses access to early-stage capital. Investment decisions are based on the project's potential return, the promotion of economic development and the creation of jobs.

FEDERAL INCENTIVES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM-ECONOMIC DEVELOPMENT (CDBG-ED)

Community Development Block Grants provide funding to commercial and industrial economic development projects. Program funds are dispersed to a local jurisdiction in the form of a conditional grant and are then used for public improvements or loaned to a business. Funding ranges from \$200,000 to \$500,000.

MARYLAND ECONOMIC ADJUSTMENT FUND (MEAF)

This Fund assists business entities in the State with the modernization of manufacturing operations, the development of commercial applications for technology and exploring and entering new markets. The program is administered in accordance with the guideline imposed by the Federal Government's Economic Development Act (EDA).

The Division of Financing also offers a variety of other programs and resources, including:

- International Financing and Export
- Tax Incentives
- Enterprise Zone Tax Credits
- Empowerment Zone Incentives
- Brownfields Tax Incentives
- Workforce Resources
- Training Assistance

FY 2001 HIGHLIGHTS

- In FY 2001, 51 new MEDAAF transactions in 21 political subdivisions were approved. These transactions totaled \$24,491,203. During the year, 22 MEDAAF projects that totaled \$7,046,420 in funding actually closed.
- Two sites were approved for the use of \$143,734 in BRIP funds and seven were certified as Brownfield sites in order to be eligible for property tax credits. Out of the seven certifications, one has been approved to receive BRIP funds.
- As of June 30, 2001, the Department has closed 100 Sunny Day transactions, totaling \$122,171,554 since the program's inception. In FY 2001, eight projects totaling \$19,050,000 closed or funded.
- There were 10 projects approved in the One Maryland (Smart Growth) program during FY2001 for a total of \$15,194,520. Of the 10 projects approved, six projects closed: four in Caroline County for a total of \$1,522,800, one in Garrett County for \$27,931 and one in Somerset County for \$2,000,000.
- A total of 19 loans were approved under the MIDFA program in FY2001. Eleven transactions were funded totaling \$87,969,426 (insured for \$9,493,711). There were two claims paid from the MIDFA insurance for a total of \$655,037 and one insured loan was restructured as a subordinated bond.

- In FY2001, MEFA issued a bond for one project totaling \$25,000,000. There were no new approvals.

- In FY2001, 47 transactions totaling \$5,637,504 were approved in the Investment Finance Group. The Challenge Investment Program had 35 approvals totaling \$2,000,000 and the Enterprise Investment Fund approved 12 transactions totaling \$5,637,504.

- CDBG-ED funds in the amount of \$1,887,703 were used during fiscal year 2001 to support six economic development projects that propose to create 973 and retain 400 full-time jobs.

- In 2001, there were no loans approved under the MEAF program.

- The MCAFF Program approved 11 loans for a total of \$780,500 during fiscal year 2001. The average amount of assistance was in the range of \$50,000 to \$100,000. Recognizing the importance of small businesses to the Maryland economy, DBED continues to increase resources to this program created to provide financial assistance for the development and expansion of small business in the State.

- During fiscal year 2001, a total of 42 financings were approved under the various MSBDFA programs. Thirty-four of these requests are still active pending closing.

- Under the MSBDFA Contract Finance Program, 16 applications were approved for financing totaling \$4.6 million. Total exposure for this program at the end of this fiscal year was \$1.3 million.

- Under the MSBDFA Guarantee Program, during fiscal year 2001, MSBDFA guaranteed 13 loans for \$4.5 million with exposure of \$3 million.

- The Surety Bond Program made three commitments during fiscal year 2001, obligating \$1.3 million in program funds.

- Under the Equity Participation Program there was a total of five financings approved: one business acquisition EPIP in the amount of \$500,000; one Franchise EPIP in the amount of \$56,000 and three technology EPIP loans totaling \$810,000.



REGIONAL DEVELOPMENT

The Division of Regional Development encourages the expansion and retention of resident Maryland companies and supports new business development. The Division's business development projects strengthen Maryland communities by focusing on local strategic planning and improving regional infrastructure, including transportation systems and utilities. The Division also strives to maximize the benefits received by Maryland's communities and businesses from the high concentration of Maryland-based military and federal facilities.

When a new business relocates to Maryland, DRD can assist by facilitating the company's integration into the community, connecting with local economic development agencies, assisting with permitting and structuring, recruiting and training workers, identifying local markets and suppliers, facilitating transportation and utility infrastructure development, and offering an overview of Maryland's vast network of business services.

The Division's primary focus centers on existing Maryland businesses. In FY 2001, the Division of Regional Development provided direct services to 948 Maryland companies and organizations to promote business retention and expansion and strengthen Maryland's corporate tax base and employee earnings. Business resources included the expenditure of \$12,070,833 in grant funding, targeting manufacturing and technology companies, technical assistance to local governments, and other organizations that provide support for business and economic development. The Division provided services and \$1,412,986 in grant assistance to Maryland organizations to advance economic development projects. Assistance to Maryland businesses included program services and \$10.6 in workforce training grant funding through a variety of initiatives.

FY 2001 HIGHLIGHTS:

- Partnership for Workforce Quality (PWQ). This small business assistance program provided technical assistance and \$4,436,986 in training grants to 200 Maryland manufacturing and technology companies to upgrade worker skills for new technologies, production processes, and management strategies. In addition, more than 148

businesses and organizations participated in Maryland's consortium programs for ISO compliance, world class manufacturing and software excellence.

- Maryland Industrial Training Program (MITP). This incentive program provided technical assistance and \$5,867,826 in training grants to 27 companies expanding in or relocating to Maryland.

Strategic Positioning Program (SPP). A new small business technical assistance program in 2001, the Strategic Positioning Program provided \$261,393 in grants to 20 Maryland companies for strategic positioning initiatives such as product planning, market identification and diversification, and expansion and re-merchandising strategies.

- Strategic Assistance Consulting Fund (SACF). Launched in 2001, this new small business initiative provided expert consulting services to small, minority, and micro-enterprise businesses. Funded through state general funds, the SACF provides an additional resource to the Maryland Small Business Development Center Network (SBDC) to expand the level of available services.

- DBED/SBDC Linkages Program. The Division provided \$500,000 in funding to the Maryland Small Business Development Center (SBDC) to enhance the capacity of the SBDC Network to provide in-depth consulting services for small business clients referred by economic development partners.

- Small and Minority Business Cluster. This program was developed to better meet the training needs of employees in small and minority companies located in distressed areas. The Small and Minority Business Cluster targets higher-end technology, manufacturing and service industries. The Division is funding a one-year pilot program beginning in State FY 2002. Training is provided by Baltimore City Community College.

- Maryland ISO Consortium Program. In FY 2001, this program conducted four consortia, graduating 25 companies and organizations through four 18-month programs with 18 others beginning in 2001 and slated to complete their participation in 2002. Since its inception in 1994, Maryland's innovative ISO Consortium program has helped more than 300 companies through PWQ funding or technical assistance.

More than 20 percent of the ISO registered organizations in Maryland have completed the Consortium's ISO program.

- The Maryland World Class Manufacturing Consortium (MWCMC) program assisted 62 member companies through resources including PWQ training funds and technical assistance. Notable results among Consortium member companies include reduced cycle times, improved on-time delivery rates and increased volume. The Consortium's Leadership Program trained 40 senior executives from participating companies in FY 2001.
- The Maryland With Pride program identifies, differentiates and promotes Maryland products and businesses through business-to-business marketing, representation at business trade shows, placement of stories in newspapers and other publications, and other marketing tools. The Division offered marketing assistance to more than 275 Maryland businesses through the Maryland With Pride program.
- DRD was instrumental in establishing the Mid-Shore Regional Council and the Tri-County Council for the Lower Eastern Shore. The Division strongly supported legislation introduced by the Eastern Shore Delegation in the 2001 General Assembly calling for the creation of the two regional councils on the Eastern Shore and worked closely with the delegation and local county governments to set up the two councils. In its FY 2001 budget, the Department provided \$50,000 for each of the Eastern Shore councils. DBED also received a \$150,000 operating grant (\$75,000 for each of the two councils) from the U.S. Economic Development Association.
- Office of Military and Federal Affairs. For the past year, there has been considerable discussion from the President, Congress and the Pentagon about conducting another round of base closings and/or realignments. DRD's Office of Military Affairs has been actively working with various local military alliances, local communities and advocacy groups around the State to develop proactive strategies to position Maryland to strengthen the assets currently in the State.


TOURISM, FILM AND THE ARTS

Maryland's drawing power as a great place to visit, live and work depends in no small part on our State's outstanding and diverse cultural and recreation opportunities. Not only do they contribute to the quality of life for Marylanders, vacationing families and business travelers—they also employ more than 100,000 residents in jobs that show the world Maryland at its best.

The Division of Tourism, Film and the Arts promotes Maryland as a great state in which to tour and travel, as well as to hold meetings and conventions. It promotes Maryland as an ideal venue for the production of feature films, television programs, videos and commercials. The Division also promotes all disciplines of Maryland's vast art venues. The Division includes three main sections: the Maryland Office of Tourism Development, the Maryland Film Office, and the Maryland State Arts Council

OFFICE OF TOURISM DEVELOPMENT

- In 2000, about 18 million person trips were taken to the State, a 1.2 percent increase from the previous year.
- The economic impact of visitors totaled \$7.7 billion in travel expenditures, 103,000 jobs, and \$646 million in state and local tax revenues in 1999, the latest year for which figures are available.
- OTD responded to 138,877 inquiries at a cost per lead of \$14.98. The cost-per-lead of television, print, and Internet advertising dropped from \$18.71 to \$14.98, a 20 percent decrease.
- OTD successfully coordinated the first-ever Legislative Summit on Tourism with strong support from the Governor Paris N. Glendening, Lt. Governor Kathleen Kennedy Townsend, Speaker of the House Casper R. Taylor, Jr. and Senate President Thomas V. Mike Miller, the statewide tourism industry associations and the Maryland Tourism Development Board. For its role in contributing to tourism awareness, the Office won the 2001 Odyssey Award from the Travel Industry Association of America.



- Another first for OTD in FY 2001 was a multicultural summit that provided professional marketing development opportunities, networking and access to award-winning, nationally recognized experts in various disciplines for professionals in tourism and business development.

- OTD received two Transportation Enhancement Awards totaling \$2.23 million for interpretation, fabrication and installation of waysides and markers for the Maryland Civil War Trails Program.

- Received more than \$13.9 million in positive free press coverage of Maryland as a travel destination.

- Capital Region USA strengthened its consumer branding efforts by updating its logo, developing a new CD, a new video and an expanded web site.

- In FY 2001, visitors to welcome centers increased by 7.9 percent from the previous year and 16 percent from FY 1998.

- The OTD successfully hosted the American Bus Association's Annual Marketplace. The hosting of the ABA's Marketplace was co-sponsored by the Baltimore Area Convention and Visitors Bureau and OTD. This event involved hundreds of volunteers from the tourism industry's private and public sectors from one end of the state to the other. The ABA estimates that the long-term economic impact to the host of the Marketplace is in the millions of dollars.

- For every dollar OTD invests in tourism promotion, it generates \$1.45 in return on state taxes and \$11.60 return on the tourism economy.

FILM OFFICE

- Feature film production included a Walt Disney family live action film "Tuck Everlasting," that was completely shot in Maryland, and a Ted Turner Pictures Civil War epic "Gods and Generals" that was based in Hagerstown for five months. The cable movie "Shot in the Heart" for HBO was also filmed here—Maryland locals were a stand-in for Utah. A one-hour pilot for a projected weekly HBO series, "The Wire," was also completed.

- Maryland hosted 316 filming days in FY '01 for feature films, television projects and commercials. An additional 301 days of filming were completed for industrial and music video projects and 1,260 days for filming of documentaries. The economic impact for all projects was \$31.4 million.

- Substantial progress was made during the year working with two potential developers for what would be Maryland's first major motion picture soundstage. DBED helped finance two independent feasibility studies for these groups.

MARYLAND STATE ARTS COUNCIL

- The Maryland State Arts Council (MSAC) awarded \$8.69 million in general operating, project and incentive grants to 400 Maryland arts organizations, leveraging more than \$115 million in matching funds from other sources.

- The arts industry in Maryland contributes over \$726 million annually to the state's economy, providing over 17,000 jobs, paying \$27 million in state and local taxes and generating \$80 million in non-state matching funds.

- Arts in Communities Grants were made to 68 newly formed arts groups that did not qualify for traditional forms of general operating support.

- Individual grants were made to 135 artists in music, dance, literature, theatre, and visual arts.

- Local arts councils in 24 jurisdictions received \$1.87 million for making grants to local organizations, which leveraged more than \$7.5 million in non-state funds.

- The Artists in Education program made grants to over 200 artists who performed and taught in 769 schools across Maryland.

- More than 8,400 performances and arts workshops were presented to more than 170,000 school children.

- The MSAC received a \$38,000 grant from the National Endowment for the Arts Folklife Program for Maryland Traditions, a collaborative program between

the MSAC and the Maryland Historical Trust to discover and compile folk arts and living traditional contexts and communities.

- The Multi-Cultural Outreach Program, through the Organizational Development Assistance Program, held 32 workshops in arts management around the state for new and developing organizations.

- Work was begun on the development of a new grants management system and e-grants system for submission of Council grants via the internet.

BUDGET FY 2001

OFFICE OF THE SECRETARY

| | |
|--|-----------|
| SECRETARIAT SERVICES | 903,550 |
| COMMUNICATIONS OFFICE | 875,640 |
| ECONOMIC POLICY AND LEGISLATION | 1,070,095 |
| INTERNAL AUDITS | 208,997 |
| GOVERNOR'S OFFICE OF BUSINESS ADVOCACY | 228,685 |
| MARYLAND ECONOMIC DEVELOPMENT COMMISSION | 25,000 |
| ASSISTANT ATTORNEY GENERAL | 1,184,531 |
| | 4,496,498 |

OFFICE OF ADMINISTRATION AND INFORMATION TECHNOLOGY

| | |
|--------------------------------|-----------|
| OFFICE OF THE DIRECTOR | 2,124,590 |
| OFFICE OF INFORMATION SERVICES | 1,117,759 |
| | 3,242,349 |

DIVISION OF BUSINESS DEVELOPMENT

| | |
|---|------------|
| OFFICE OF THE ASSISTANT SECRETARY | 1,103,530 |
| OFFICE OF BUSINESS INFORMATION SERVICES | 2,374,832 |
| OFFICE OF ADVERTISING AND PROMOTION | 2,551,506 |
| TECHNOLOGY AND INTERNATIONAL BUSINESS | 2,986,683 |
| FOREIGN OFFICES | 1,217,000 |
| | 10,233,551 |

DIVISION OF FINANCING PROGRAMS

| | |
|---|------------|
| OPERATING | |
| OFFICE OF THE ASSISTANT SECRETARY | 1,477,756 |
| MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY (MSBDFA) | 1,186,986 |
| CONSOLIDATED OPERATIONS | 1,905,100 |
| MARYLAND ENTERPRISE INVESTMENT FUND AND CHALLENGE PROGRAMS | 7,786,945 |
| | 12,356,787 |

CAPITAL

| | |
|---------------------------|-----------|
| MSBDFA | 6,300,000 |
| MIDFA BOND INSURANCE FUND | 2,500,000 |

| | |
|---|------------|
| MARYLAND ENTERPRISE INVESTMENT FUND | 10,000,000 |
| CHALLENGE INVESTMENT | 1,750,000 |
| MARYLAND ECONOMIC ADJUSTMENT FUND | 800,000 |
| MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE FUND | |
| | 31,500,000 |
| MARYLAND COMPETITIVE ADVANTAGE FINANCING FUND | 1,825,000 |
| SMART GROWTH ECONOMIC DEVELOPMENT INFRASTRUCTURE FUND (ONE MARYLAND) | 10,000,000 |
| CAPITAL TOTAL | 62,850,000 |
| DIVISION OPERATION & CAPITAL TOTAL | 75,206,787 |

DIVISION OF TOURISM, FILM AND THE ARTS

| | |
|--|------------|
| OFFICE OF THE ASSISTANT SECRETARY AND ADMINISTRATION | 827,165 |
| OFFICE OF TOURISM DEVELOPMENT | 7,074,342 |
| MARYLAND TOURISM DEVELOPMENT BOARD | 6,360,000 |
| MARYLAND FILM OFFICE | 1,267,616 |
| MARYLAND STATE ARTS COUNCIL | 13,649,513 |
| TOTAL | 29,178,636 |

DIVISION OF REGIONAL DEVELOPMENT

| | |
|--|------------|
| OFFICE OF THE ASSISTANT SECRETARY | 1,535,914 |
| OFFICE OF IN-STATE BUSINESS SERVICES | 2,321,701 |
| GRANT ADMINISTRATION | 8,033,344 |
| MILITARY AFFAIRS AND FEDERAL FACILITIES | 370,937 |
| OFFICE OF INTERAGENCY AND LOCAL COORDINATION | |
| | 756,034 |
| PARTNERSHIP FOR WORKFORCE QUALITY | 4,074,135 |
| TOTAL | 17,092,065 |

| | |
|------------------------|-------------|
| DEPARTMENT TOTAL | 139,449,886 |
| SUNNY DAY | 5,500,000 |
| DEPARTMENT + SUNNY DAY | 144,949,886 |

TELEPHONE DIRECTORY

OFFICE OF THE SECRETARY 410-767-6300

ATTORNEY GENERAL'S OFFICE
410-767-6446

EQUAL OPPORTUNITY OFFICE
410-767-6469

MARYLAND ECONOMIC DEVELOPMENT COMMISSION
410-767-6309

COMMUNICATIONS
410-767-6321

INTERNAL AUDITS
410-767-2286

GOVERNOR'S OFFICE OF BUSINESS ADVOCACY
410-767-0545

OFFICE OF ECONOMIC POLICY AND LEGISLATION

BALTIMORE (MAY - DECEMBER)
410-767-6312

ANNAPOLIS (DECEMBER - MAY)
410-260-6307

STATE TECHNOLOGY COORDINATOR
410-767-6315

BUSINESS AND ECONOMIC RESEARCH
410-767-6398

DIVISION OF BUSINESS DEVELOPMENT 410-767-6740 800-811-0051 (TOLL FREE)

OFFICE OF ADVERTISING AND PROMOTION
410-767-6795

OFFICE OF TECHNOLOGY AND INTERNATIONAL BUSINESS
410-767-0684

OFFICE OF INDUSTRY AND PROFESSIONAL SERVICES
410-767-6658

OFFICE OF BUSINESS INFORMATION SERVICES
410-767-6441

BUSINESS RESEARCH AND ANALYSIS
410-767-6394

DIVISION OF FINANCING PROGRAMS 410-767-6359

FINANCING PROGRAMS
410-767-3213

DAY CARE
410-767-6356

MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY (MIDFA)
410-767-6376

ABOUT US

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING
AUTHORITY (MSBDF)A)
410-333-4270 (PRIVATELY MANAGED)

INVESTMENT FINANCING GROUP
410-767-6359

TRADE FINANCING
410-767-6383

DIVISION OF TOURISM, FILM AND THE ARTS
410-767-6266

MARYLAND FILM OFFICE
410-767-6340

MARYLAND STATE ARTS COUNCIL
410-767-6555

TOURISM DEVELOPMENT
410-767-6278

SPECIAL PROJECTS
410-767-4706

DIVISION OF REGIONAL DEVELOPMENT
410-767-0095

IN-STATE BUSINESS SERVICES
410-767-3376

INTERAGENCY AND LOCAL GOVERNMENT COORDINATION
410-767-6529

MILITARY AND FEDERAL AFFAIRS
410-767-2988

FINANCE AND ADMINISTRATION
410-767-0550

CONSORTIA
410-767-6517

ADMINISTRATION AND INFORMATION
TECHNOLOGY
410-767-3384

BUDGET AND FINANCE
410-767-2360

CONTRACTS AND PROCUREMENT
410-767-2211

GENERAL SERVICES
410-767-2202

HUMAN RESOURCES
410-767-2245

INFORMATION TECHNOLOGY
410-767-2302



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